

Form **1120-A** Department of the Treasury Internal Revenue Service
U.S. Corporation Short-Form
Income Tax Return

2002

See separate instructions to make sure the corporation qualifies to file Form 1120-A.

IRS use only — Do not write or staple in this space.

For calendar year 2002 or tax year beginning , 2002, ending , OMB No. 1545-0890

| | | | | |
|--|---|--|-------------|---|
| A Check this box if the corporation is a personal service corporation (as defined in Regulations section 1.441-3(c)) see instructions) <input type="checkbox"/> | Use IRS label. Otherwise, print or type. | Name Walter Beck Corporation | | B Employer ID number 25-1630212 |
| | | Number, street, and room or suite number (If a P.O. box, see instructions.) Rainbow Inn, PO Box 362 | | C Date incorporated |
| | | City or town Lewis Run | State PA | ZIP code 16738 |

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Name change (3) ☐ Address change

F Check method of accounting: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ...

| | | | | | | | |
|---|---|-------------|------------------------------------|--------------|------------------|------------|---------|
| INCOME | 1 a Gross receipts or sales | 28,631. | b Less returns & allowances | | c Balance | 1 c | 28,631. |
| | 2 Cost of goods sold (see instructions) | | | | | 2 | 14,373. |
| | 3 Gross profit. Subtract line 2 from line 1c | | | | | 3 | 14,258. |
| | 4 Domestic corporation dividends subject to the 70% deduction | | | | | 4 | |
| | 5 Interest | | | | | 5 | |
| | 6 Gross rents | | | | | 6 | |
| | 7 Gross royalties | | | | | 7 | |
| | 8 Capital gain net income (attach Schedule D (Form 1120)) | | | | | 8 | |
| | 9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797) | | | | | 9 | |
| | 10 Other income (see instructions) | | | | | 10 | |
| | 11 Total income. Add lines 3 through 10 | | | | | 11 | 14,258. |
| DEDUCTIONS | 12 Compensation of officers (see instructions) | | | | | 12 | |
| | 13 Salaries and wages (less employment credits) | | | | | 13 | |
| | 14 Repairs and maintenance | | | | | 14 | 2,471. |
| | 15 Bad debts | | | | | 15 | |
| | 16 Rents | | | | | 16 | |
| | 17 Taxes and licenses | | | | | 17 | |
| | 18 Interest | | | | | 18 | 1,127. |
| | 19 Charitable contributions (see instructions for 10% limitation) | | | | | 19 | |
| | 20 Depreciation (attach Form 4562) | 20 | 98. | | | | |
| | 21 Less depreciation claimed elsewhere on return | 21 a | | 21 b | 98. | | |
| | 22 Other deductions (attach schedule) See Other Deductions Statement | | | | | 22 | 13,245. |
| 23 Total deductions. Add lines 12 through 22 | | | | | 23 | 16,941. | |
| 24 Taxable income before net operating loss deduction & special deductions. Subtract line 23 from line 11 | | | | | 24 | -2,683. | |
| 25 Less: a Net operating loss deduction (see instructions) | 25 a | | | | | | |
| b Special deductions (see instructions) | 25 b | | 25 c | | | | |
| 26 Taxable income. Subtract line 25c from line 24 | | | | | 26 | -2,683. | |
| 27 Total tax (from page 2, Part I, line 6) | | | | | 27 | | |
| TAX AND PAYMENTS | 28 Payments: | | | | | | |
| | a 2001 overpayment credited to 2002 | 28 a | | | | | |
| | b 2002 estimated tax payments | 28 b | | | | | |
| | c Less 2002 refund applied for on Form 4466 | 28 c | | d Bal | 28 d | | |
| | e Tax deposited with Form 7004 | | | 28 e | | | |
| | f Credit for tax paid on undistributed capital gains (attach Form 2439) | | | 28 f | | | |
| | g Credit for Federal tax on fuels (attach Form 4136). See instructions | | | 28 g | | | |
| | h Total payments. Add lines 28d through 28g | | | 28 h | | | |
| | 29 Estimated tax penalty (see instructions). Check if Form 2220 is attached | | | | | 29 | |
| | 30 Tax due. If line 28h is smaller than the total of lines 27 and 29, enter amount owed | | | | | 30 | |
| | 31 Overpayment. If line 28h is larger than the total of lines 27 and 29, enter amount overpaid | | | | | 31 | |
| 32 Enter amount of line 31 you want: Credited to 2003 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | | | | | 32 | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instrs)? ☒ Yes ☐ No

Preparer's signature

Date
07/09/03Check if self-employed ☒

Preparer's SSN or PTIN

P00133743

Paid Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code

Karen M. Perrigo, CPA
20 Water Street
Cuba

NY 14727

Phone no. (716) 968-5292

BAA For Paperwork Reduction Act Notice, see separate instructions.

CPCA0612 12/20/02

DEFENDANT'S EXHIBIT
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Form 1120-A (2002)

Form 1120-A (2002) Walter Beck Corporation

25-1630212

Page 2

Part I Tax Computation (see instructions)

| | | |
|----|--|----|
| 1 | Income tax. If the corporation is a qualified personal service corporation (see instructions), check here <input type="checkbox"/> | 1 |
| 2a | General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____ | 2a |
| b | Credit for prior year minimum tax (attach Form 8827) | 2b |
| 3 | Total credits. Add lines 2a and 2b | 3 |
| 4 | Subtract line 3 from line 1 | 4 |
| 5 | Other taxes. Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) | 5 |
| 6 | Total tax. Add lines 4 and 5. Enter here and on line 27, page 1 | 6 |

Part II Other Information (see instructions)

| | | | |
|---|---|----|---|
| 1 | Refer to the instructions and enter the: a Business activity code no. <u>722210</u> b Business activity <u>Retail trade</u> c Product or service <u>Food & Beverage</u> | 5a | If an amount is entered on line 2, page 1, enter from worksheet in the instructions: (1) Purchases <u>13,698.</u> (2) Additional 263A costs (attach schedule) (3) Other costs (attach sch) |
| 2 | At the end of the tax year, did any individual, partnership, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see Section 267(c).) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'Yes,' attach a schedule showing name and identifying number. | b | If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 3 | Enter the amount of tax-exempt interest received or accrued during the tax year <u>\$</u> | 6 | At any time during the 2002 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' the corporation may have to file Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country _____ |
| 4 | Enter total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year <u>\$</u> | 7 | Are the corporation's total receipts (line 1a plus lines 4 - 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'Yes,' the corporation is not required to complete Parts III and IV below. |

Part III Balance Sheets per Books

| | (a) Beginning of tax year | (b) End of tax year |
|--|---------------------------|---------------------|
| 1 Cash | 665. | 311. |
| 2a Trade notes and accounts receivable | | |
| b Less allowance for bad debts | | |
| 3 Inventories | 1,200. | 525. |
| 4 U.S. government obligations | | |
| 5 Tax-exempt securities (see instructions) | | |
| 6 Other current assets (attach schedule) | | |
| 7 Loans to shareholders | | |
| 8 Mortgage and real estate loans | | |
| 9a Depreciable, depletable, and intangible assets | 37,887. | 37,887. |
| b Less accumulated depreciation, depletion, and amortization | 23,289. | 23,387. |
| 10 Land (net of any amortization) | | |
| 11 Other assets (attach schedule) <u>Line 11 Statement</u> | 35,000. | 35,000. |
| 12 Total assets | 51,463. | 50,336. |
| 13 Accounts payable | 4,255. | 4,268. |
| 14 Other current liabilities (attach schedule) | | |
| 15 Loans from shareholders | 122,769. | 127,769. |
| 16 Mortgages, notes, bonds payable | 15,649. | 12,192. |
| 17 Other liabilities (attach schedule) | | |
| 18 Capital stock (preferred and common stock) | 100. | 100. |
| 19 Additional paid-in capital | 24,500. | 24,500. |
| 20 Retained earnings | -115,810. | -118,493. |
| 21 Adjustments to shareholders' equity (attach sch) | | |
| 22 Less cost of treasury stock | | |
| 23 Total liabilities and shareholders' equity | 51,463. | 50,336. |

Part IV Reconciliation of Income (Loss) per Books With Income per Return

| | | | | | |
|---|--|---------|---|--|---------|
| 1 | Net income (loss) per books | -2,683. | 6 | Income recorded on books this year not included on this return (itemize) | |
| 2 | Federal income tax per books | 0. | 7 | Deductions on this return not charged against book inc this yr (itemize) | |
| 3 | Excess of capital losses over capital gains | | 8 | Income (line 24, page 1). Enter the sum of lines 1 through 5 less the sum of lines 6 and 7 | -2,683. |
| 4 | Income subject to tax not recorded on books this year (itemize) | | | | |
| 5 | Expenses recorded on books this year not deducted on this return (itemize) | | | | |

Form **4562**

OMB No. 1545-0172

Depreciation and Amortization
(Including Information on Listed Property)**2002**

67

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to your tax return.

Name(s) shown on return

Walter Beck Corporation

Identifying number

25-1630212

Business or activity to which this form relates

Form 1120 Line 20

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See instructions for a higher limit for certain businesses | 1 | \$24,000. |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation | 3 | \$200,000. |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2001 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12 | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

| | | | |
|----|---|----|--|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election (see instructions) | 15 | |
| 16 | Other depreciation (including ACRS) (see instructions) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions)**Section A**

| | | | |
|----|---|----|-----|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2002 | 17 | 98. |
| 18 | If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B — Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only — see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|-----------------------------------|--|--|------------------------|-------------------|---------------|-------------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs | | S/L | |
| h Residential rental property | | | 27.5 yrs | MM | S/L | |
| i Nonresidential real property | | | 39 yrs | MM | S/L | |

Section C — Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|--------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs | | S/L | |
| c 40-year | | | 40 yrs | MM | S/L | |

Part IV Summary (see instructions)

| | | | |
|----|--|----|-----|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions | 22 | 98. |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V**Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A — Depreciation and Other Information** (Caution: See instructions for limits for passenger automobiles.)

| 24a Do you have evidence to support the business/investment use claimed? | | | | Yes | No | 24b If 'Yes,' is the evidence written? | | | | Yes | No |
|---|-------------------------------|---|----------------------------|--|------------------------|--|-------------------------------|---------------------------------|--|-----|----|
| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost | | | |
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | | 25 | | | |
| 26 Property used more than 50% in a qualified business use (see instructions): | | | | | | | | | | | |
| | | | | | | | | | | | |
| 27 Property used 50% or less in a qualified business use (see instructions): | | | | | | | | | | | |
| | | | | | | | | | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 | | | | | | | | 28 | | | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 | | | | | | | | 29 | | | |

Section B — Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | (b) Vehicle 2 | (c) Vehicle 3 | (d) Vehicle 4 | (e) Vehicle 5 | (f) Vehicle 6 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 30 Total business/investment miles driven during the year (do not include commuting miles — see instructions) | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | |
| | Yes | No | Yes | No | Yes | No |
| 34 Was the vehicle available for personal use during off-duty hours? | | | | | | |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | |

Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|---|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.**Part VI****Amortization**

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|--|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2002 tax year (see instructions): | | | | | |
| | | | | | |
| 43 Amortization of costs that began before your 2002 tax year | | | | | 43 |
| 44 Total. Add amounts in column (f). See instructions for where to report | | | | | 44 |

Form 1120-A, Page 1, Line 22

Other Deductions Statement

| | |
|---------------------------|---------|
| License fee | 750. |
| Utilities | 2,700. |
| Telephone | 1,020. |
| Garbage | 600. |
| Propane | 2,042. |
| Insurance | 3,325. |
| Office | 458. |
| Supplies | 934. |
| Bank and credit card fees | 780. |
| Satellite TV | 571. |
| Water testing fee | 65. |
| Total | 13,245. |

Form 1120-A, Page 2, Part III, Line 11

Line 11 Statement

| Other Assets: | Beginning of tax year | End of tax year |
|----------------|--------------------------|--------------------|
| Liquor License | 35,000. | |
| Total | 35,000. | |